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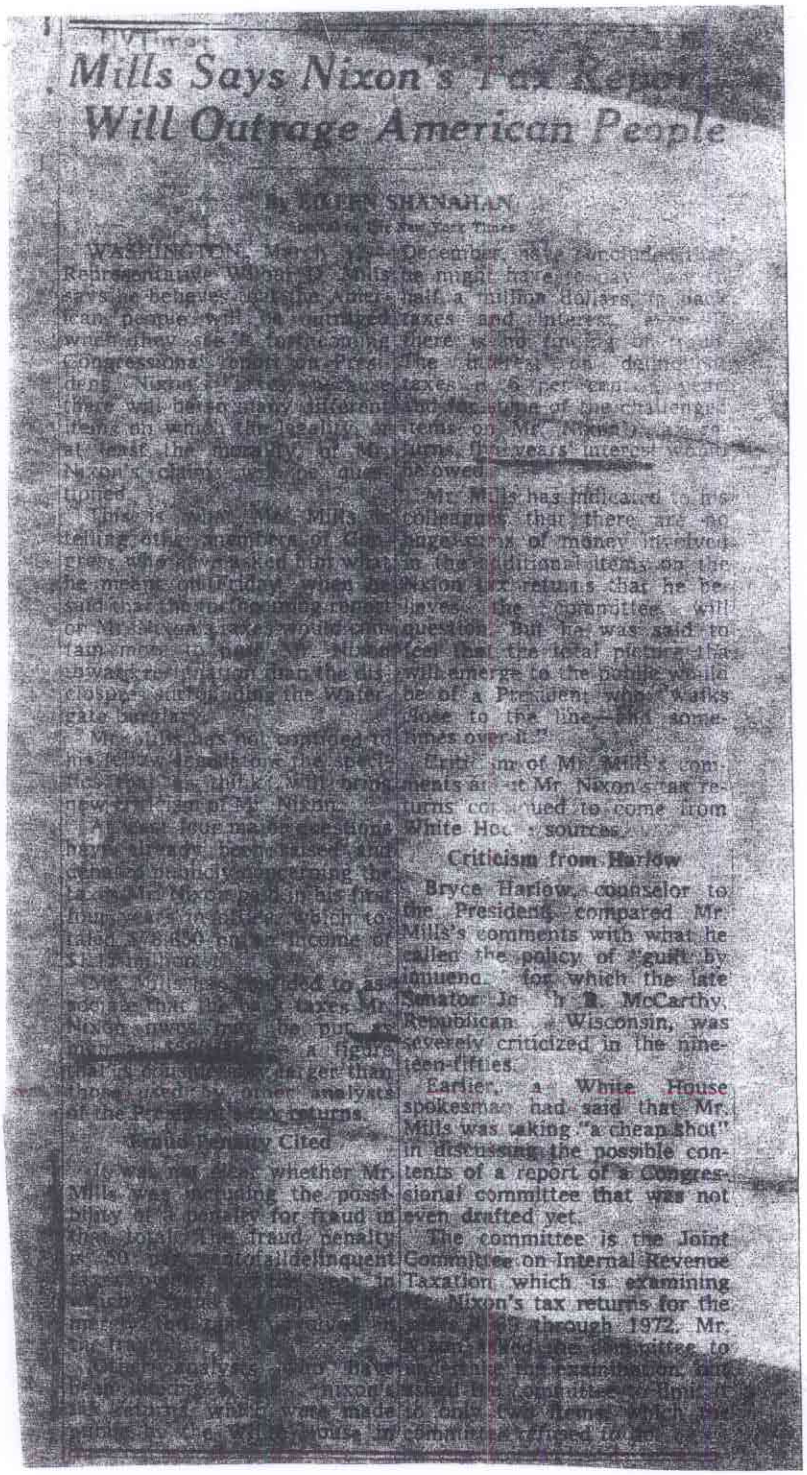

# Mills Says Nixon's Tax Report Will Outrage American People

By JOHN SHANAHAN
Special to The New York Times

WASHINGTON, March 13—Representative Wilbur D. Mills says he believes the American people will be outraged when they see the Congressional report on President Nixon's taxes.

There will be many different items on which the legality, at least, of the propriety of Mr. Nixon's claims will be questioned.

This is what Mr. Mills is telling other members of Congress who have asked him what he means publicly when he said that the pending report of the Joint Committee on Internal Revenue Taxation would be more damaging to the President than the disclosures surrounding the Watergate burglary.

Mr. Mills has not confided to his colleagues the specific items that will provoke new criticism of Mr. Nixon.

A House source said that some items already had been raised and opened up by questioning the President made public in his first income tax return, which showed a total tax of $878,000 on an income of $2,467,000.

Some Mills colleagues said they had to assume that the taxes Mr. Nixon owes may be put at a figure [illegible] larger than those placed by other analysts of the President's returns.

### Fraud Penalty Cited

It was not clear whether Mr. Mills was including the possibility of a penalty for fraud in the 50 per cent fraud penalty [illegible] delinquent [illegible]

[illegible] December 1971, [illegible] he might have to pay [illegible] half a million dollars in back taxes and interest, [illegible] there is no fraud penalty. The interest on delinquent taxes is 6 per cent a year, [illegible] the value of the challenged items on Mr. Nixon's tax returns, [illegible] years' interest would be owed.

Mr. Mills has indicated to his colleagues that there are no huge sums of money involved in the additional items on the Nixon tax returns that he believes the committee will question. But he was said to feel that the total picture that will emerge to the public would be of a President who "walks close to the line—and sometimes over it."

Much of Mr. Mills's comments are at Mr. Nixon's tax returns continued to come from White House sources.

### Criticism from Harlow

Bryce Harlow, counselor to the President, compared Mr. Mills's comments with what he called the policy of "guilt by [illegible]uend[illegible]" for which the late Senator Joseph R. McCarthy, Republican of Wisconsin, was severely criticized in the nineteen-fifties.

Earlier, a White House spokesman had said that Mr. Mills was taking "a cheap shot" in discussing the possible contents of a report of a Congressional committee that was not even drafted yet.

The committee is the Joint Committee on Internal Revenue Taxation which is examining Mr. Nixon's tax returns for the [illegible] through 1972. Mr. [illegible] and the committee to [illegible] examination, and [illegible] committee [illegible] to [illegible] two items which the committee refused to [illegible]